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translations of the author's works." About one-fifth of the books is on Literature and Art, one-fifth consists of classical authors, and one-fifth is on Law, Politics, and Geography. "Works on Political Economy and on History make up another fifth, in nearly equal proportions. Science and Philosophy divide the remaining fifth." Dugald Stewart spoke of Adam Smith's collection as "a small but excellent library, which he had gradually formed with great judgment in the selection."

It was not the fashion in Adam Smith's day for a writer elaborately to annotate his writings with references to the authorities and sources on which he had drawn for material statements of fact or opinion. That Adam Smith was in some instances a debtor had not, however, escaped detection. But the precise extent of his debt had not been determined. In the present Catalogue Mr. Bonar has entered in red ink the passages in Smith's writings in which he refers to other authors or their works, and these entries will appear surprisingly frequent to those readers who have been led by some versions of the history of political economy to suppose that Adam Smith created the science of political economy all of himself, out of his own head alone. It is interesting to find that Adam Smith's copy of the *Physiocratie*, though "well bound in calf, with gold tooling and gilt edges" is also "much worn."

Among other new and interesting matter the volume contains a *fac-simile* reproduction of a letter from Adam Smith to Strahan, written in 1760, in which he remarks, with characteristic humor, that "an author had sometimes better be in the wrong and believe himself in the right than be in the right and believe or even suspect himself in the wrong;" a copy of his will, directing the disposition to be made of his library; a ground plan of his house at Kirkcaldy; and a brief note on the portraits of Adam Smith, by Mr. John Gray, in which the writer expresses the opinion that the Tassic medallion of Smith was probably executed from life, and that, at any rate, it is a faithful likeness.

A. C. MILLER.

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*The Canadian Banking System, 1817-1890.* By ROELIFF MORTON BRECKENRIDGE. Toronto, 1894. 8vo. pp. 363.

IN the course of the recent discussions touching the reorganization of the national banking system of the United States, frequent reference has been made to the Canadian banking system as one that presented

a rather remarkable record of success under general conditions similar to those that prevail in this country. Little, however, had been written upon either the history, organization, methods, or results of the Canadian system; and that little was so often inaccurate, or else so buried away in the transactions of societies and in public documents, largely beyond the reach of the ordinary inquirer, that his best and most accessible guide has perforce been the public statutes of the Dominion government. There was then a distinct need of some comprehensive and thorough study of this subject—a need which, it is the pleasure of the reviewer to state, has been most excellently satisfied by Dr. Breckenridge's present monograph.

The history of the Canadian banking system since its beginning in the early part of this century with the separately chartered banks of the several provinces, is a story of continuous progress. The precedents supplied by British experience, and more especially the successful example of Scotch banking, shaped the early policy of the Canadian provinces. In Canada, as in Scotland, the banks have been comparatively unhindered in their development by statutory restrictions. Economic forces have been relied upon in Canada to produce the results which the legislator elsewhere has preferred to secure through legal limitations. No restrictions, save the unimportant one that the issues should not exceed a certain proportion of the paid-up capital, have been imposed upon the circulation of the Canadian banks. There has been no requirement, as under the American system, that the circulation should be secured by the pledge of government bonds; nor even, as in Scotland, that a reserve of gold should be held to cover circulation in excess of a certain fixed amount. The simple principle of paying debts in specie on demand, enforced by mutual competition of the banks, and sanctioned by severe legal penalties, was the conserving factor relied upon in early Canadian banking legislation; and it has not been substantially departed from in the changes of system made under the Dominion government. And a similar freedom has been allowed the banks in the management of their reserves for ordinary deposits. How adequate this system has proved itself in point of security appears from Dr. Breckenridge's statement that "the total loss of principal ultimately suffered by creditors of banks working under Dominion legislation, has been less than \$2,000,000. The record for the years preceding 1867 is hardly less admirable." Released from unnecessary and expensive restrictions in the management of their

issues and reserves, the Canadian banks have been able to supply the community with the needed facilities in a singularly complete degree, when, where and as they were needed, in times of crisis no less than in those of prosperity, and at remarkably uniform charges. The currency of the Canadian banks, whether in the form of the note or of the deposit, has been as elastic and automatic in its action as anything well could be, swift to expand or to contract according to the varying requirements of exchange.

Altogether, from whatever point it be studied, the Canadian banking system in its present form, after the revision of 1890, presents one of the most interesting examples of successful dealing with the banking problem to be found anywhere in modern legislation. To those who are searching for the lines on which to reform our own system, it will be found full of suggestion; and to them is to be especially commended Dr. Breckenridge's monograph for its lucid, accurate, thoughtful and discriminating treatment of a system which had never before had its due share of recognition.

A. C. M.

*Honest Money.* By ARTHUR I. FONDA. New York: Macmillan & Co., 1895. 12mo. pp. ix+209. 2 Charts.

THERE is much clear exposition of fundamental principles of money in Mr. Fonda's book, even if it makes no pretense to originality. An impartial attempt is made, on the basis of a study of existing treatises, to find the good and the bad in the opposing arguments for gold and for silver, and to strike a judicial balance, and occasionally there is an attempt at independent treatment. For the advanced student of money there is nothing new; for the general reader there is some good, mixed with some very questionable, teaching.

The writer discusses plainly the primary ideas of value and the functions of money; then he compares the operation of a single gold standard, a single silver standard, bimetallism, and paper money. These general principles are applied to the existing forms of money in the United States, and give rise to many just criticisms. His peculiar views about paper money, however, lead him to favor the policy of government issues. Finally, having previously shown the difficulties arising from using gold or silver, or any one or two commodities, as a standard for long payments, he proposes as a solution of all our monetary difficulties, a modification of the multiple unit of payment. By weight-